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November 28, 2011

Karl Morell
Of Counsel

Public Record

kmorell@balljanik.com

BY HAND DELIVERY

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**SURFACE
TRANSPORTATION BOARD**

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

Re: STB Finance Docket No. 35574, Swan Ranch Railroad, L.L.C.
--Operation Exemption – Swan Industrial Park

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.31 and a check covering the \$1,800 filing fee. Also enclosed is a Disc containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely,

Karl Morell
Of Counsel

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**SURFACE
TRANSPORTATION BOARD**

Enclosures

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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35574

SWAN RANCH RAILROAD, L.L.C.
--OPERATION EXEMPTION--
SWAN INDUSTRIAL PARK

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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SURFACE
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TRANSPORTATION BOARD

KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
655 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 638-3307

Attorney for:
SWAN RANCH RAILROAD, L.L.C.

Dated: November 28, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

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STB FINANCE DOCKET NO. 35574

SWAN RANCH RAILROAD, L.L.C.
--OPERATION EXEMPTION--
SWAN INDUSTRIAL PARK

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Swan Ranch Railroad, L.L.C. ("SRR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit SRR to operate as a common carrier by railroad over the tracks located in the Swan Industrial Park in Cheyenne, WY.

In support of this Notice of Exemption, SRR submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name and address of applicant:

Swan Ranch Railroad, L.L.C.
315 W. 3rd Street
Pittsburg, Kansas 66762

(b) Applicant's Representative:

Karl Morell
Of Counsel
BALL JANIK LLP
Suite 225
655 Fifteenth Street, N.W.
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement:

SRR and Cheyenne Logistics Hub, LLC ("CLH") have entered into an Agreement for SRR to become the operator of the rail lines located in the Swan Industrial Park.

(d) The operator of the property:

SRR will be the operator of the rail lines located in the Swan Industrial Park.

(e) Summary of proposed transaction:

SRR is a new, wholly owned, non-carrier, indirect subsidiary of Watco Holdings, Inc. ("Watco"). In this proposed transaction, SRR is seeking authority to operate approximately 17,192 feet of rail lines located in the Swan Industrial Park.

(1) The name and address of the owner of the subject property:

Cheyenne Logistics Hub, LLC
Granite Peak Business Center
Cheyenne Logistics Hub
6215 Clear Creek Pkwy
Cheyenne, Wyoming 82007

(2) The involved transaction is expected to be consummated some time after the effective date of this Notice.

(3) SRR is seeking authority to operate, as a common carrier by railroad, over all tracks located in the Swan Industrial Park, including Track Numbers, 101, 105 and 109.¹

(4) The length of the rail lines SRR will operate is approximately 17,192 feet.

(f) A map of the rail lines SRR will operate is attached as Exhibit A.

(g) SRR hereby certifies that this transaction will not result in SRR becoming a Class II or Class I rail carrier. The projected annual revenue of SRR will not exceed \$5 million.

¹ There are no mileposts associated with the tracks in the Swan Industrial Park.

Consequently, the notice requirements of 49 C.F.R. § 1150.32(e) do not apply.

(h) The Agreement between SRR and CLH does not contain any provision that prohibits SRR from interchanging traffic with a third party or limits SRR's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

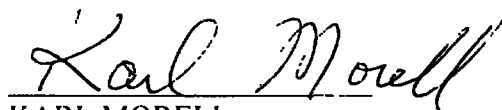
ENVIRONMENTAL AND HISTORIC IMPACTS

SRR is acquiring authority to operate the rail lines in the Swan Industrial Park for continued rail operations. Further Board approval is required for SRR to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

SRR's operations of the rail lines will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. SRR's operation of the rail lines will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(c)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted.

A handwritten signature in cursive script that reads "Karl Morelli". The signature is written in black ink and is positioned above a horizontal line.

KARL MORELLI

Of Counsel

BALL JANIK LLP

Suite 225

655 Fifteenth Street, N.W.

Washington, DC 20005

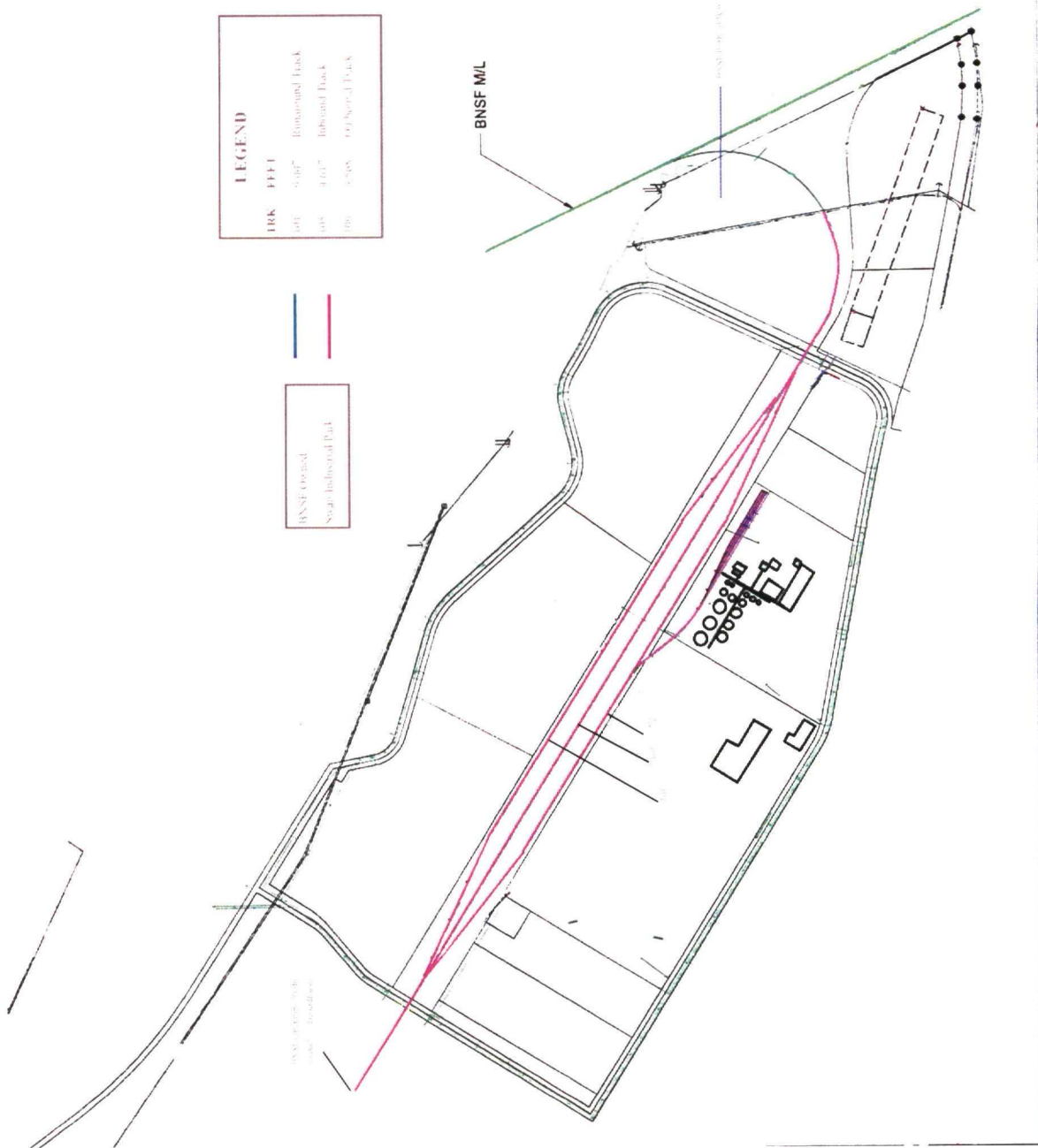
(202) 638-3307

Attorney for:

SWAN RANCH RAILROAD, L.L.C.

Dated: November 28, 2011

EXHIBIT A



SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35574

SWAN RANCH RAILROAD, L.L.C.
--OPERATION EXEMPTION--
SWAN INDUSTRIAL PARK

Swan Ranch Railroad, L.L.C. ("SRR"), a non-carrier, has filed a notice of exemption to operate the rail lines owned by Cheyenne Logistics Hub, LLC in the Swan Industrial Park in Cheyenne, Wyoming, including Track Numbers 101, 105 and 109.

This transaction is related to STB Docket No. 35575, Watco Holdings, Inc. -- Continuance In Control Exemption – Swan Ranch Railroad, L.L.C., wherein Watco Holdings, Inc., has concurrently filed a verified notice to continue in control of SRR upon SRR becoming a Class III terminal switching carrier.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

STATE OF KANSAS

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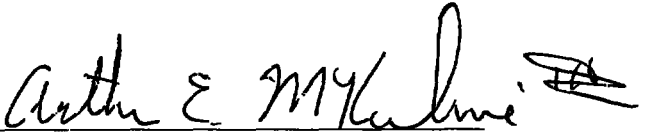
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SS.

)


COUNTY OF CRAWFORD

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Swan Ranch Railroad, L.L.C., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this 23 day of November, 2011, in the County of Crawford, State of Kansas.

My Commission Expires: 8/16/2012


Notary Public